



Monterey County

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Board Report

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- a. Support Natividad Medical Center to increase the total project cost approved by the Board of Supervisors for \$1,156,036 for The Medical Office Buildout - Floor One by \$1,059,716 to a revised total project cost of \$2,215,752.; and
- b. Support Natividad Medical Center to increase the total project cost approved by the Board of Supervisors for \$800,000 for The Building 400 - Mechanical Upgrade by \$44,381 to a revised total project cost of \$844,381; and
- c. Support Award of an agreement in the total amount of \$2,604,675 for the construction component to Tombleson Inc. the lowest responsible and responsive base bidder, for Natividad Medical Center for the above mentioned projects; and
- d. Support to approve the Performance and Payment Bonds executed and provided by Tombleson Inc.; and
- e. Support to authorize a contingency (not to exceed 10% of the contract amount) to provide funding for approved contract change order.

RECOMMENDATION:

It is recommended that the Capital Improvement Committee:

- a. Support Natividad Medical Center to increase the total project cost approved by the Board of Supervisors for \$1,156,036 for The Medical Office Buildout -Floor One by \$1,059,716 to a revised total project cost of \$2,215,752.; and
- b. Support Natividad Medical Center to increase the total project cost approved by the Board of Supervisors for \$800,000 for The Building 400 - Mechanical Upgrade by \$44,381 to a revised total project cost of \$844,381; and
- c. Support Award of an agreement in the total amount of \$2,604,675 for the construction component to Tombleson Inc. the lowest responsible and responsive base bidder, for Natividad Medical Center for the above mentioned projects; and
- d. Support to approve the Performance and Payment Bonds executed and provided by Tombleson Inc.; and
- e. Support to authorize a contingency (not to exceed 10% of the contract amount) to provide funding for approved contract change order.

SUMMARY/DISCUSSION:

NMC desires to perform a tenant improvement to the shell space in Building 400 first floor (approximately 5,200 square feet) and replace the roof top mechanical equipment Heating Ventilation and Air Conditioning (HVAC) and boilers that support this space. The tenant improvements will allow for outpatient Cardiopulmonary/ Cardiology clinic and Women's Diagnostic Imaging services to relocate from the main Radiology Department in Building 500 on first floor of the hospital. This move is essential in order to provide adequate inpatient imaging space for the Radiology Modernization project.

Hammel, Green and Abrahamson (HGA) Architects submitted the construction plans and specification to the County of Monterey - Building Department on August 14, 2015 and received approval on

December 17, 2015. The plans and specifications were adopted by the Board of Supervisors on May 10, 2016 and NMC went out to public bid on May 16, 2016 and May 23, 2016.

The bids were opened and publicly read aloud on June 23, 2016 by the Contracts/Purchasing Agent in the Clerk of the Board's Conference Room 1032, Monterey County Administration Building, 168 West Alisal St., FL1, Salinas, CA. The bids were received per the posted announcements on the bid board. The lowest responsive and responsible bid came in at \$2,604,675 by Tombleson Inc.

NMC requests authorization from the Board of Supervisors to award the Building 400 Cardiology Clinic and HVAC Mechanical Upgrade Project No.9600-66 to Tombleson Inc. NMC is accepting the Cardiology Clinic base bid of \$1,923,420 and the HVAC Mechanical Upgrade scope bid in the amount of \$681,255 with total construction cost bid of \$2,604,675. NMC additionally requests a 10% contingency in the amount of \$260,468. The total cost of the two projects (architectural fees, construction, and a 10% contingency fee) is \$3,060,133. The anticipated schedule of construction is 180 working days.

NMC's budget was based on estimated construction costs for these projects in the amount of \$1,105,000 for the Cardiology clinic tenant improvement and \$705,000 for the HVAC upgrade for a total of \$1,810,000 for construction back in June of 2014. Due to escalation in costs of materials, labor and an increasing demand for subcontractors in recent years, NMC is seeing a substantial increase in construction costs just from 2 years ago. These estimates were comparable to the historical construction projects that NMC had initiated. Currently NMC is \$843,629 short from what was budgeted (not including 10% contingency). NMC is pursuing a grant from Central California Alliance for Health (CAAH) to help cover the capital funding shortfall. In the meantime capital funding will be sourced from NMC's cash balance. At this time NMC requests that \$1,059,716 be added to the Cardiology Clinic budget and \$44,381 be added to the HVAC Mechanical upgrade budget. Both increases include the contingency.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Agreement as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Agreement as to fiscal provisions. This item was discussed as an open item at the NMC Finance Committee on August 30, 2016 and supported by the NMC's Board of Trustees on September 2, 2016.

FINANCING:

NMC's capital budget for MOB Buildout - Floor One is \$1,156,036 (Budget ID # B16-2016-093). The actual project costs are as follows: \$1,923,420 for construction, \$99,990 for design, and \$192,342 for contingency. NMC will need to increase funding for the MOB Buildout -Floor One project in the amount of \$1,059,716 for a new total project cost in the amount of \$2,215,752. NMC has current design fee expenditures in the amount of \$87,797.

NMC's capital budget for Building 400 - Mechanical Upgrade is \$800,000 (Budget ID # B16-2016-196). The actual project costs are as follows: \$681,255 for construction, \$95,000 for design, and \$44,381 for contingency. NMC will need to increase funding for the Building 400 - Mechanical Upgrade in the amount of \$44,381 for a new total project cost in the amount of \$844,381. NMC has current design fee expenditures in the amount of \$69,014.

The combined project totals are \$2,604,675 for construction and \$194,990 for design and \$260,468 for contingency which results in a total combined project cost of \$3,060,133. Funds will be sourced from NMC's cash balance. There is no impact to the general fund.

Prepared by: Brian Griffin, Project Manager, 783.2605

Approved by: Gary Gray, D.O., Chief Executive Officer, 783.2553

Attachments: Project Budget